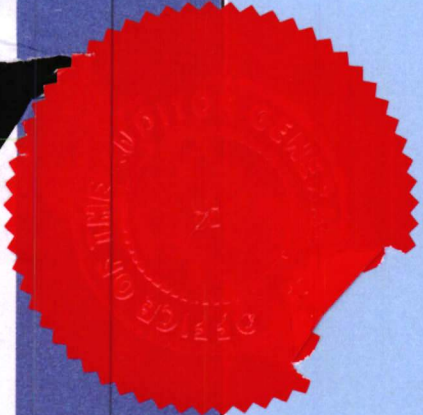
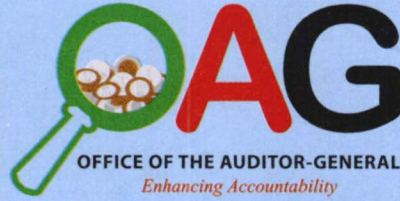


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REPORT

OF

THE AUDITOR-GENERAL

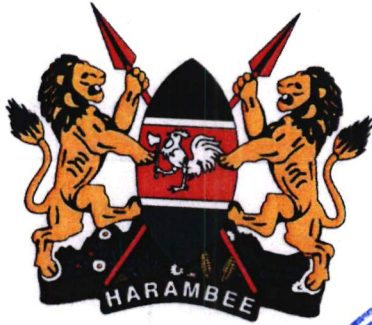
ON

NAROK COUNTY CLIMATE CHANGE FUND

FOR THE YEAR ENDED 30 JUNE, 2025

PAPERS LAID	
DATE	18/7/25
TABLED BY	LEWEGNE
COMMITTEE	
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COUNTY GOVERNMENT OF NAROK

THE NAROK COUNTY CLIMATE CHANGE FUND

**ANNUAL REPORT AND FINANCIAL STATEMENTS FOR
THE FINANCIAL YEAR ENDED JUNE 30, 2025**

Prepared in accordance with the Accrual Basis of Accounting Method under the International
Public Sector Accounting (IPSAS)

Narok County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

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1. Acronyms and Definition of Key Terms

A. Acronyms

SC	Steering Committee
CCF	Climate Change Fund
CM	Complaint Mechanisms
CCFA	Climate Change Fund Act
CCU	Climate Change Unit
CCF	Community Consultation Forum
ICPAK	Institute of Certified Public Accountants of Kenya
IPSAS	International Public Sector Accounting Standards
PFM	Public Finance Management
PSASB	Public Sector Accounting Standards Board
Kshs	Kenya Shillings
FY	Financial Year
NCG	Narok County Government
FLLoCA.	Financing Locally Led Climate Action
CCF	Climate Change Fund
CECM	County Executive Committee Member
CCRIG	County Climate Resilience Investment Grant
NGO	Non-Governmental Organization
CBK	Central Bank of Kenya
CCRIG	County Climate Resilience Investment Grant.
NDMA	National Drought Management Authority
WCCPC	Ward Climate Change Planning Committee
TNT	The National Treasury

b. Glossary of Terms

Fiduciary Management-Members of Management directly entrusted with the entity's financial resources. **Comparative Year**- Means the prior period

2. Key Entity Information and Management

a) Background information

The FLLOCA program is being implemented by the National Treasury through the Program Implementation unit and County Government through the County Climate Change unit (CCCU). As a result of devolved system several assemblies have enacted County Climate Change Acts thus setting stage for establishment of County Climate Change Funds (CCCF). The Narok County Climate Change Fund (CCF) was established under the Narok County Climate Change Fund Act, 2021 assented on May 26, 2021 Via Narok County Gazette Supplement May of 2021. The Act was regularized by the Public Finance Management (Narok County Climate Change) Fund Regulations, 2021. The Fund is wholly owned by the County Government of Narok and is domiciled in Kenya.

b) Principal Activities

The mandate, objective and purpose of the fund as derived from sec 7(1) (2) of the Narok County Climate Change Act, 2021 is to;

- i) Create resilience at the local (and community) levels to mitigate the impact of climate change.
- ii) Provide funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related framework enacted within the County and for connected purposes.
- iii) Public education, sensitization and awareness creation on climate change and its impacts.
- iv) Capacity Building of County Staff and other stakeholders to effectively respond to climate change related occurrences.
- v) Climate Change research and knowledge management in the county. (in exception of academic research)
- vi) Monitoring, evaluation, reporting and learning on climate change response in the county.
- vii) Any other projects, activities and interventions recommended by committees established and that are relevant to climate change.

Narok County Climate Change Fund
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c) Steering Committee Members

Ref	Name	Position
1	Johonna Rotich Kiplangat	Chairperson -CECM climate change
2	Malvine Nkoitoi	Vice chair-disaster management
3	Eng. Mike Otieno	Member-water and Sanitation
4	Dennis Letiet	Member -finance
5	Eng.James Mathenge	Member-NDMA
6	Mkung Daniel	Member –KFS
7	Benard Kimeto	Member-Agriculture,
8	Liaram Molai	Member-Environment
9	Jackson Maina Muturo	Member-NEMA
10	Dr.Nkeyasha Gideon	Member-livestock and fisheries;
11	Peter Karanja	Member KMD

d) Management team

Ref	Name	Position
1	Johonna Rotich Kiplangat	CECM Environment, Water ,Energy,Natural Resources and Climate Change
2	Willy Loigero	Chief Officer Environment, Water, Energy, Natural Resources and Climate Change
3	Elijah Mututua	Director Climate Climate

Narok County Climate Change Fund
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e) Fiduciary Oversight Arrangements Narok County Audit Committee.

SN	Position	Name
1	Chairman	Jonathan Leyian Nampaso
2	Member	Vincent Kironyoro Nkaiwuatei
3	Member	Josephine Saiton Taga
4	Member	Olonana Loolpapit
5	Secretary	Alfred Gilisho Sankale

f) Registered Offices

Department of Environment, Energy, Water, Natural Resources and
Climate Change Offices,
P.O. Box 898-20500
Narok, KENYA.

g) Fund Contacts

E-mail: Info@narok.go.ke
Website: www.narok.go.ke

h) Fund Bankers

Central Bank of Kenya
HaileSelassie Avenue
P.O. Box 60000
City Square 00200
Nairobi, Kenya

i) Independent Auditors

Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GOP 00100
Nairobi, Kenya

j) Principal Legal Adviser



The Attorney General
State Law Office
Harambee Avenue P.O. Box
40112
City Square 00200
Nairobi, Kenya

k) County Attorney

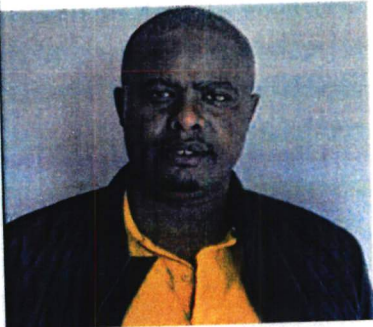

The Office of the County
Attorney

P.O. Box 898-20500
Narok, Kenya

3. Steering Committee Members

Name	Details of qualifications and experience
 <p>Mr. Rotich Kiplagat Johana</p>	<p>Date of Birth: 20th January 1987 -CECM Environment, Water, Energy, Natural resource and climate change and he is the chairperson of the Climate Change steering committee. Mr. Rotich Kiplagat Johana was appointed CECM for Water, Energy, Forestry, Environment and climate change on 28th October 2022. Mr. Rotich holds a bachelor's degree in education majoring in arts. Prior to his appointment, Mr. Rotich was a high school teacher.</p>
 <p>ENG. JAMES MATHENGE NGARI</p>	<p>Date of Birth: 24 March 1984 is currently working with National Drought Management Authority (NDMA) and a member of steering committee 2016-2019: MSc. Soil and Water Engineering JKUAT Main Campus; Jomo Kenyatta University of Agriculture and Technology, 2004-2009: BSc. Soil, water & Environmental Engineering (2nd Class upper) JKUAT Main Campus; Jomo Kenyatta University of Agriculture and Technology, Experience</p> <ul style="list-style-type: none"> • Monitoring implementation of the Ending Drought Emergencies strategy in collaboration with and in partnership with other institutions such as the ASAL Secretariat; • Promotion of the implementation of strategic development interventions that enhance resilience to drought and climate change; • Developing and implementing strategies to ensure that drought management and climate change adaptation are mainstreamed into development planning and resource allocation at county level; • Developing and implementing strategies for continuous capacity development of county planners in mainstreaming drought management and climate change adaptation, through the provision of training, the development of manuals and guidelines, or other measures.

Narok County Climate Change Fund
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 <p>DENNIS PARSOI LETIET</p>	<p>Date of Birth: 15thDecember1987 is a certified public Accountant and Finance expert with excellent analytical skills with a solid understanding of general accounting practices. An accomplished accounting executive with diverse experience in technical research and documentation, with a proven ability to constantly improve existing processes and systems coupled with compliance to Generally Accepted Accounting Principles (GAAP), International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS). He is currently the Director Finance, having served previously as the Chief Officer for Devolution and Public Administration and Finance and Planning in the same capacity as the chief officer at the Narok County Government. Master of Business Administration (MBA), United States International University-Africa ,2022 Bachelor of Commerce, School of Business and Management Studies, Technical University Kenya, 2016 Certified Public Accountant of Kenya (CPA (K) KASNEB 2015.</p>
 <p>PETER MUTU KARANJA</p>	<p>Date of Birth: 1stjanuary1966 Director Meteorological Services, Narok County Kenya Meteorological Department, and he is member of steering committee A highly qualified and experienced Director of Meteorological Services - Narok County, I am a hard-working individual with a fair but firm and consistent approach to my work. I work well alone and as part of a team, and love a culture driven and diverse working environment with a collaborative workforce in line with the Kenya meteorological department mandate. I work well in line with the company goal to provide and facilitate weather and climate information services for sustainable development.</p>



Benard Kipkirui Kimeto

Date of Birth: 9th September 1965

County Director Of Agriculture Narok county, he attained the following studies Kenya advanced certificate of education (three principals and two subsidiaries; 11 points, bachelor of science degree in agriculture (second class honours) experience teaching mathematics and biology at Tebesonik secondary school from February to August 1987, teaching biology in Getarwet secondary school from January to April 1988, teaching chemistry and biology at Cheborge high school from May to November 1990

teaching agriculture and biology at Tengecha high school from **January 1991 to November 1992 under teacher's service commission**, lecturing crop and animal production; deputy principal and head of animal production department from January 1993 to February 2005

Divisional agriculture extension officer at Kanuni division of Meru north district, February 2005-2007, deputy district agriculture officer Igembe north district 2008-2009, district agriculture officer, Merti district 2009- June 2013

Deputy county director of agriculture (crops management) county government of Narok June 2013 to 2016., ag. county director of agriculture, county government of Narok: 2016 to date.

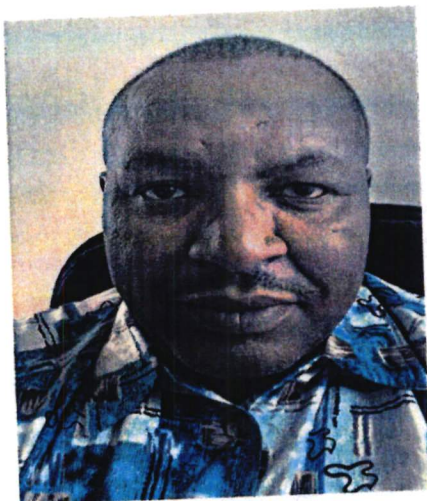


NKOITOI MALVINE SEMPEYO

Date of Birth: 28th December 1988

Bachelor of Commerce (Banking and Finance) Egerton University-2009 - 2011

Seasoned and results-oriented Grants and Finance Analyst Expert with 10+ years of progressive work experience both at strategic and operational levels. Holds a well-grounded background in keeping donor funded projects financial operations in line with established compliance standards and fostering trust, cultivating partnerships based on accountability and transparency. Adept at financial management, budgeting, risk and compliance management, donor financial reporting and sub-awardee management. Moreover, boast over proven ability to engage international and local NGOs including; USAID, NORAD, GIZ, LGT, Tusk Trust, AVAAZ, CJRF and WWF as well as Governments, Private firms and community-based organizations.



JACKSON MAINA MUTURO

Date of Birth :16th January,1970 Excellent in English and Swahili Interpersonal skills: leadership, listening, negotiating, decision making, problem solving, effective communication and assertive. technical/professional skills:Environmental Management:

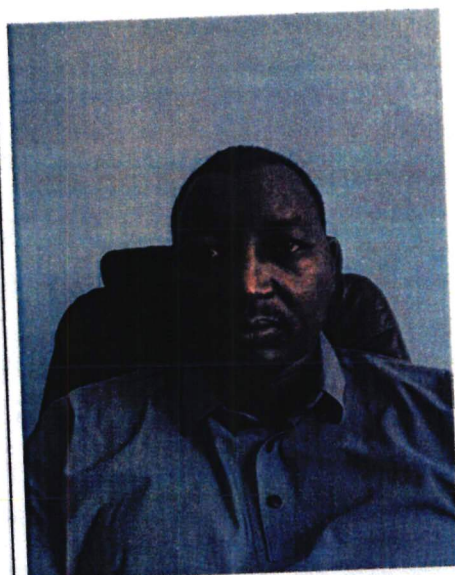
natural resources management, environmental impact assessment, and audit, green growth, climate change adaptation and mitigation, environmental education and awareness, compliance and enforcement of environmental legislation.

Education: training of trainer, curriculum development, education management, agricultural education and extension, advocacy, environmental education.

Project skills: need assessment, concept and proposal writing, project cycle management, resources mobilization, risk management, monitoring, and evaluation.

People management: conflict sensitivity and prevention, conflict resolution, grievance redress mechanism, mentoring, community mobilization managerial and supervisory: senior management and performance management work experience 01/07/2012 to date) national environment management authority (nema).

p.o box 67839 – 00200, nairobi, kenya. occupation/ position county director of environment (isiolo, murang'a, laikipia and narok counties)



LIARAM MOLAI

Date of Birth: 22nd August 1983.

University of Nairobi, Kenya

School of Business (Pursuing a Master Degree in Business Administration- Strategic Management option)- Ongoing Student

Kenya School of Government

2019 August- Social Risk Management Course- Certificate Makerere University- UGANDA



2006-2010: Institute of Statistics and Applied Economics (Graduated with a Bachelor of Science in Population Studies (Demography) Second-class honors- upper division)

Mbale Progressive School- Uganda

2004-2005: Uganda Advance Certificate of Education (A-Level 2000 – 2003: High School: Kilgoris Secondary School C+ in K.C.S.E certificate.

1999 –1999: Kilgoris Academy Primary School 507 marks in K.C.P.E Certificate


*Narok County Climate Change Fund
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	<p>October 2019-to-date: County Director of Environment, Energy, Climate Change and Natural Resource 2023-Served as a member of the National Taskforce on unbundling of devolved functions in Environment and Natural Resources 2022-2024- Vice Chairperson, National Caucus of Directors in charge of Water, Natural Resources, Environment and Climate Change (NRM) 2014- September 2019: Deputy Sub County Administrator- Mara Triangle Game Reserve Administrator November 2012- March 2013. Election Senior Presiding Officer with IEBC July 2012- November 2012: Kenya Commercial Bank- Kilgoris Branch</p>
	<p>Date of Birth: 11th Dec 1973 Bachelor Degree in Forestry from university of Eldoret and currently pursuing Masters in Forestry in the same University. Mr. Mkung has over 28 years working experience. He is currently working as Senior conservator of forester, Narok county. Prior to Narok, he was in Baringo serving as a County Forest conservator and Elgeyo Marakwet as a Conservator.</p>
	<p>DATE OF BIRTH: 1ST June 1969 MSc Medical Microbiology - University of Nairobi (U.O.N). Antimicrobial resistance patterns of Clinical and Non-Clinical enterococcal isolates at Kiambu District Hospital. Bachelor of Veterinary Medicine (BVM) - (U.O.N) Kenya advanced certificate of education Litein High School (Mathematics, Chemistry, Biology) Kenya certificate of education Olkejuado High School Certificate of Primary Education – Nkoile Primary School International computer driving license – Institute of Advanced Technology County Director veterinary Services – Narok County, Senior Deputy Secretary - Narok County Public Service Board Main function was to assist the Secretary/CEO of the CPSB in administration of the office and staff of the Board Chairman, Board of directors, Neighbours Initiative Alliance. An NGO facilitating among other major projects GOK/WFP food relief in the vast Kajiado county since 2009 to 2013 as well as the</p>




MKUNG DANIEL

DR. GIDEON OSEUR NKEYASHA

Narok County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

	<p>PPR Vaccination campaign in the whole county.</p> <p>Chairman, Board of governors, Nkoile Boys Sec. School. A new district School initiated using the CDF Kitty.</p> <p>Member, Board of governors, Olkejuado High school. A well established county school that has produced many leaders in Kenya, both in the private and public sectors.</p>
 <p>ENG. MICHAEL OMONDI OTIENO</p>	<p>Date of birth :01/06/1965</p> <p>He is currently County Director of Water & sanitation Narok County also worked in the Ministry of Water & Irrigation Narok District Water Officer/Ag. Managing Director Narok Water & Sanitation Company.</p> <p>2007-2008 Moi University Eldoret, KENYA MBA (Executive) – Strategic Management, 1996-1999 International Institute of Infrastructure, Hydraulic and Environmental Engineering Delft (UNESCO-IHE) The Netherlands Master of Engineering (Water & Env. Resources Management), Responsibilities:</p> <ul style="list-style-type: none"> • Transformed Narok water supply to a semi-autonomous entity as a company within the Rift Valley Water Services board. • Delinked from water resource management to water services during the water sector reform period • Maintained advice on need basis to the Mara River water project ESA programme • Ensuring that the water supplies in the district were operational and breakdowns attended promptly. • Ensuring full treatment water supplies had enough chemicals and treatment was carried effectively.

4. Management Team

Name	Details of qualifications and experience
 <p>ROTICH.J. KIPLANGAT</p>	<p>Date of Birth: 20th January 1987 Mr. Rotich is currently CECM for Environment, Water, Energy Natural resource and Climate Change (Narok County Government) In 2014-2022, He was an employee of Teachers Service Commission. Mr. Rotich pursued Masters in public administration management and Bachelor of Education Arts.</p>
 <p>WILLY LOIGERO</p>	<p>Date of Birth :1st January 1978 He is the Chief Officer for Environment, Water, Energy Natural resource and Climate Change and Fund Administrator (NAROK COUNTY GOVERNMENT). Mr Willy holds a bachelor's degree in Education Arts from University of Nairobi. He has over ten (10) years extensive knowledge and experience in areas of Public Administration, conflict management and resolution, Community engagements, humanitarian response on climate change. From 2014-2022 worked for Narok County Government as a chief officer in several Departments namely: lands, Education, Tourism and wildlife, Livestock and Trade and cooperative .</p>
 <p>ELIJAH MUTUTUA KINGIRI</p>	<p>: Date of birth: 17th July 1986 Education Background Mr. Elijah, in 2024 attained a master's degree in science ecology and conservation management. Tertiary Education August 2009 to April 2012: Moi University Certificate acquired: Bachelor's Degree in Environmental planning, Management and Monitoring Class: Second Class Upper Division May 2006 to August 2008: Kenya Wildlife Service Training Institute Certificate acquired: Diploma in Environmental Management. Grade: Lower Credit. July 2006 Jan to 2006 Dec. Kenya Wildlife Service Training Institute. Certificate Acquired: Certificate in Sanctuary Wildlife Management. He is currently working in the department of Environment and climate change as a director for climate change (Narok County Government).</p>

4. Management Discussion and Analysis

The FLLoCA grant's objective is to deliver locally led climate resilience actions and strengthen county and national government's capacity to manage climate risk. It's envisioned that the grant will strengthen County Government's capacity to plan, budget, implement and monitor climate mitigation and adaptation actions, with a focus on sub-county (ward and community) levels. During the year under review, a budgetary allocation of **Kshs 357,000,000** was allocated to the fund.

The County Government contribution of **Kshs. 157,000,000** formed part of the total budget which was not attained due to lack of funds and **ksh.200,000,000** from world bank. The delayed funds received of **Kshs.11,000,000** was spent on capacity building of CCU members, steering committee, members of Environment Committee, Ward Climate Change Planning Committee the Cecms (cabinet), General Expenses/Climate Change adaptation activities, conducting of PCRA process, formulating Narok county climate change policies, conducting ward level climate change priorities projects, screening of projects, preparation of procurement plan and CCRI work plan, while **Kshs 99,026,745** which was brought forward from previous year is for capital expenditure for CCRIG projects ,and the remaining balance of **Ksh. 99,026,745** from world bank was has been received during the start of the year under review, totalling to **Ksh. 198,053,490** spent on CCIRG projects implementations. Narok County Government has managed to disbursed the remaining contributions balance of **Ksh. 131,813,441** that was meant for previous year Allocation.

Expenditure Breakdown

The FLLoCA grant has been obtained and utilized on several key features aimed at building climate resilience at the local level. The following is a detailed breakdown of how the funds were utilized throughout the year:

1. Capital Expenditure on CCRIG Projects – Kshs 272,719,870.20 one of the star programs of the FLLoCA grant was the school greening Program, which aimed at involving schools in adaptation to climate change. The Kshs 272,719,870.20 used in this program was utilized in:

- Farmlands through Fruit Trees planting across the county.
- Environmental education for students to raise awareness about climate change and sustainability. - Sustainability initiatives with school gardens and agroforestry systems, building green habits and climate-aware students.
- Access to clean water through construction of water pan, construction of foot bridges ,Dams,Biogas spring protection and BoreHoles drilling to the communities

2. Capacity Building – Kshs 11,000,000

The other key area of the funding was toward capacity building . Under the FLLoCA Grant, Kshs 11,000,000 was the last phase given for increasing the capacities, skills, and knowledge of the key stakeholders involved in action on climate change.

Narok County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

These include:

- Members of the Climate Change Unit (CCU)
 - Steering Committee Members
 - Members of the County Assembly Environment Committee
 - Ward Climate Change Planning Committees - CECMs (County Executive Committee Members) Activities supported under capacity building were:
 - Workshops and training for members of CCU, Steering Committee Members, Ward Climate Change Planning Committees , and key stakeholders on adaptation and mitigation to climate change.
 - Climate change planning to strengthen the county's capacity to develop successful climate action plans.
 - PCRA (Participatory Climate Risk Assessment) process that is at the heart of determining the most vulnerable sectors and locations in the county.
 - Development and formulation of Narok County climate change policies , providing a legal and strategic foundation for climate action.
3. General Expenses & Climate Change Adaptation Activities

A portion of the financing went to climate change adaptation activities and general expenses . Some of these expenses were on:

- Conducting assessments to understand more about the effects of climate change on various sectors (for example, agriculture, water, and health).
- Planning and coordination of current and future adaptation projects at the local level.
- Prioritization of climate change at the ward level so that the local vulnerabilities and needs are addressed.
- Project screening and selection to ensure that money is directed towards high-potential projects for generating resilience and minimizing climate risks.

Narok County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

5. Chairperson's Report

On behalf of the Narok County Climate Change Fund, I would like to give an overview on the operations of the Fund under the financial year 2024/2025. Our core mandate is to create resilience at the local levels to mitigate the impact of climate change through provision of funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan and other climate related frameworks enacted within the County. This fund is co-funded by National Government through FLLoCA Conditional grant. The County Government FLLoCA will provide county level performance grants that will result in a portfolio of climate resilience actions/investments addressing communities' priorities.

During the year under review, a budgetary allocation of **Kshs 357,000,000** was allocated to the fund. The County Government contribution of **Kshs. 157,000,000** formed parts of the total budget which was not attained due to lack of funds and **ksh.200,000,000** from world bank. The delayed funds received of **Kshs.11,000,000** was spent on capacity building of CCU members, steering committee, members of Environment Committee, Ward Climate Change Planning Committee the Cecms (cabinet), General Expenses/Climate Change adaptation activities, conducting of PCRA process, formulating Narok county climate change policies, conducting ward level climate change priorities projects, screening of projects, preparation of procurement plan and CCRI work plan, while **Kshs 99,026,745** which was brought forward from previous year is for capital expenditure for CCIRG projects ,and the remaining balance of **Ksh. 99,026,745** from world bank has been received during the start of the year under review, totalling to **Ksh. 198,053,490** spent on CCIRG projects implementations. Narok County Government has managed to disbursed the remaining contributions balance of **Ksh. 131,813,441** that was meant for previous year Allocation.

Joseph Kipkorir Jothan
Name..... Signature..... Date..... *28/11/2025*

Chairperson of the Steering Committee



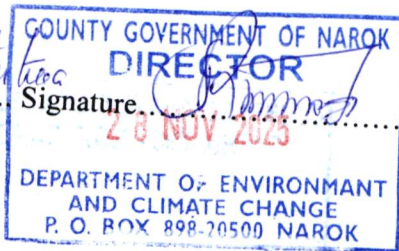
Narok County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

6. Report of The Fund Administrator

The FLLoCA grant's objective is to deliver locally led climate resilience actions and strengthen county and national government's capacity to manage climate risk. It's envisioned that the grant will strengthen County Government's capacity to plan, budget, implement and monitor climate mitigation and adaptation actions, with a focus on sub-county (ward and community) levels. During the year under review, a budgetary allocation of **Kshs 357,000,000** was allocated to the fund. The County Government contribution of **Kshs. 157,000,000** formed part of the total budget which was not attained due to lack of funds and **ksh.200,000,000** from world bank. The delayed funds received of **Kshs.11,000,000** was spent on capacity building of CCU members, steering committee, members of Environment Committee, Ward Climate Change Planning Committee the Cecms (cabinet), General Expenses/Climate Change adaptation activities, conducting of PCRA process, formulating Narok county climate change policies, conducting ward level climate change priorities projects, screening of projects, preparation of procurement plan and CCRI work plan, while **Kshs 99,026,745** which was brought forward from previous year is for capital expenditure for CCRIG projects ,and the remaining balance of **Ksh. 99,026,745** from world bank has been received during the start of the year under review, totalling to **Ksh. 198,053,490** spent on CCRIG projects implementations.

Narok County Government has managed to disburse the remaining contributions balance of **Ksh. 131,813,441** that was meant for previous year Allocation. All the necessary support will be accorded to the fund management committee to enable timely implementation of the identified ward projects for the county to achieve the minimum performance conditions to enable the county access the highest allocation for County Climate Resilience Investment Grant (CCRIG). However, funds disbursement has delayed implementation of some projects as at the close of the financial year.

Name *Elijah Mutetia*
Fund Administrator
Signature *[Signature]* Date *28/11/2025*
28 NOV 2025



Narok County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

7. Statement of Performance Against the County Fund's Predetermined

Objectives Introduction

Section 164 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting officer when preparing financial statements of each County Government entity Government entities in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the county government entity's performance against predetermined objectives.

The key development objectives of the County Climate Change Fund's 2021-2026 Action are to:

- i) Create resilience at the local (and community) levels to mitigate the impact of climate change.
- ii) Provide funding for climate change projects identified in the County Climate Change Policy, County Climate Change Action Plan, other climate related framework enacted within the County and for connected purposes.
- iii) Public education, sensitization and awareness creation on climate change and its impacts.
- iv) Capacity Building of County Staff and other stakeholders to effectively respond to climate change related occurrences.
- v) Climate Change research and knowledge management in the county. vi) Monitoring, evaluation, reporting and learning on climate change response in the county

Progress on attainment of Strategic development objectives Below we provide the progress on attaining the stated objectives:

Program	Objective	Outcome	Indicator	Performance
Provision of Mortgage facilities to all members of staff	To ensure all staff have access to Mortgage facilities	Number mortgages successfully applied	% of staff taking Mortgage facilities	During FY ,2024-2025 No Mortgage facilities
Program 2	Objective	outcome	indicator	Performance

Narok County Climate Change Fund
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8. **Corporate Governance Statement**

The fund is established by an act of the Narok County Assembly. The fund shall be a financing mechanism for climate change actions and interventions in the County. The fund encompasses three committees namely; the Steering committee, planning committee and ward planning committees.

Appointment and Removal of Directors.

The steering committee(directors) is composed of competent, diverse and qualified members capable of exercising objective and independent judgement. The steering committee has appropriate autonomy and authority to exercise its functions, accountability and responsibility to the stakeholders.

The Board of management is appointed through a transparent and formal process. The chairperson is appointed by the Governor on the recommendation of the County Executive Committee Member responsible for Environment, Natural Resources and Climate Change with the approval of the County Assembly. The members shall be appointed by the County Executive Committee Member responsible for Environment, Natural Resources and Climate Change; being drawn from within the county while observing the interests of minorities, Youth, gender and people living with disability.

A person shall not be qualified for appointment as a member of the steering committee if that person is;

i. a member of National Assembly;

ii. is adjudged bankrupt;

iii. is convicted of a criminal offence and sentenced to a term of imprisonment of not less than six months.

An appointed member of the steering committee shall cease to be a member when;

i. Dies;

ii. Is unable to perform the functions of the office due to mental or physical infirmity The conduct of business of the steering committee shall be as provided in the First Schedule, but subject thereto, the steering committee may regulate its own procedure.

iii. The quorum for the conduct of business of the meeting of the steering committee shall be two-thirds of the total number of members of the steering committee.

The functions of the Steering Committee shall be to—

i. Exercise oversight over activities of the fund and develop a Climate Finance Framework for the County.

ii. Facilitate and monitor the implementation of the Climate Finance Framework at the ward level.

iii. To compile the list of approved projects and prepare the County Climate Finance Budget;

iv. Develop a Climate Finance research priority needs list for the county and co-ordinate research and development for Climate Finance in the County;

v. Pre-qualify research consultants for Climate Finance research in the County in accordance to the PPOA Act, and also assign and coordinate technical assistance from County departments to projects funded under this Regulations.

vi. Ensure appropriate need-based allocation of the moneys available in the Fund with regard to the projects received from the Ward Planning Committee.

vii. Co-ordinate and implement curriculum for capacity building for Climate Change Awareness and Climate Finance in the County and ensure compliance of the Fund administration to the Public Finance Management principles under article 201 of the Constitution of Kenya;

viii. Ensure that projects approved for funding conform to the Climate Finance Framework, mobilize funding for projects, programs and activities listed in the Climate Finance Framework;

ix. Facilitate coordination of climate finance projects and programs with other programs in the county, and develop eligibility criteria for climate finance projects and facilitate capacity building of ward planning-committees.

Conduct Affairs of Steering Committee

- i. The Steering Committee shall meet at least once every month; and any other intermittent meeting when necessary;
- ii. The quorum for the meetings of the Steering Committee shall be half of the membership.
- iii. The committee in their first sitting a Vice-chairperson shall be of opposite gender from the chairperson.

Conflict of Interest

During every meeting of the steering committee, members are allowed to declare conflict of interest in any matter under discussion. Where a member has conflicting interest, they are excluded from the deliberations of the said agenda.

Steering committee Remuneration

The members of the steering committee shall be paid such allowances or remuneration as per the Salaries and Remuneration Commission and in accordance with the relevant financial regulations and/or guidelines currently in force including the Salaries and Remuneration Commission.

Ethics and Conduct

Steering committee members received training on ethics and conduct during the induction training. There are no ethical and misconduct issues to declare.

Governance Audit

The Narok County Climate Change Fund (NCCCCF), a governance audit involves reviewing the structures, processes, and practices used to manage and oversee the Fund. This includes assessing compliance with the Narok County Climate Change legislation, financial regulations, and donor requirements.

The audit focuses on the effectiveness of the Steering Committee, internal controls, accountability mechanisms, and decision-making processes to ensure that climate funds are used efficiently, transparently, and for their intended purpose.

Communication Policy

The Communication Policy guides how information related to the Fund is shared with stakeholders including the County Government, community beneficiaries, development partners, and the public. It ensures timely reporting on financial performance, project implementation, and governance matters. The policy promotes transparency by providing clear channels for dissemination of information, feedback mechanisms, and public engagement on the use of climate finance resources within Narok County.

Terms of Reference of the Steering Committee

The Steering Committee's Terms of Reference define the roles, responsibilities, and authority of members in managing the Fund. These include approving work plans and budgets, overseeing project implementation, ensuring financial accountability, and providing policy guidance.

The Terms of Reference also specify meeting frequency, quorum requirements, conflict of interest management, and reporting obligations, thereby supporting effective oversight and governance of the Fund.

Policy on Related Party Transactions

The policy regulates transactions between the Fund and individuals or entities associated with the Steering Committee or County officials who may influence decisions of the Fund.

It ensures that all such transactions are disclosed, reviewed, and approved through established procedures to prevent conflicts of interest and misuse of public funds. The policy enhances transparency and ensures that all financial dealings are conducted on an arm's length basis in line with public finance regulations

9. Management Discussion and Analysis

The FLLoCA grant's objective is to deliver locally led climate resilience actions and strengthen county and national government's capacity to manage climate risk. It's envisioned that the grant will strengthen County Government's capacity to plan, budget, implement and monitor climate mitigation and adaptation actions, with a focus on sub-county (ward and community) levels. During the year under review, a budgetary allocation of **Kshs 357,000,000** was allocated to the fund. The County Government contribution of **Kshs. 157,000,000** formed part of the total budget which was not attained due to lack of funds and **ksh.200,000,000** from world bank . The delayed funds received of **Kshs.11,000,000** was spent on capacity building of CCU members, steering committee, members of Environment Committee, Ward Climate Change Planning Committee the Cecms (cabinet), General Expenses/Climate Change adaptation activities,conducting of PCRA process, formulating Narok county climate change policies, conducting ward level climate change priorities projects, screening of projects, preparation of procurement plan and CCRI work plan, while **Kshs 99,026,745** which was brought forward from previous year is for capital expenditure for CCRIG projects ,and the remaining balance of **Ksh. 99,026,745** from world bank was has been received during the start of the year under review, totalling to **Ksh. 198,053,490** spent on CCRIG projects implementations.

Narok County Government has managed to disbursed the remaining contributions balance of **Ksh. 131,813,441** that was meant for previous year Allocation.

Expenditure Breakdown

The FLLoCA grant has been obtained and utilized on several key features aimed at building climate resilience at the local level. The following is a detailed breakdown of how the funds were utilized throughout the year:

1. Capital Expenditure on CCRIG Projects – Kshs 272,719,870.02

One of the star programs of the FLLoCA grant was the school greening Program, which aimed at involving schools in adaptation to climate change. The Kshs 272,719,870.20 used in this program was utilized in:

- Farmlands through Fruit Trees planting across the county.
- Environmental education for students to raise awareness about climate change and sustainability. - Sustainability initiatives with school gardens and agroforestry systems, building green habits and climate-aware students.
- Access to clean water through construction of water pan, construction of foot bridges ,Dams,Biogas spring protection and BoreHoles drilling to the communities

2. Capacity Building – Kshs 11,000,000

The other key area of the funding was toward capacity building . Under the FLLoCA Grant, Kshs 11,000,000 was the last phase given for increasing the capacities, skills, and knowledge of the key stakeholders involved in action on climate change. These include:

- Members of the Climate Change Unit (CCU)
 - Steering Committee Members
 - Members of the County Assembly Environment Committee
 - Ward Climate Change Planning Committees - CECMs (County Executive Committee Members)
- Activities supported under capacity building were:
- Workshops and training for members of CCU, Steering Committee Members, Ward Climate Change Planning Committees , and key stakeholders on adaptation and mitigation to climate change.
 - Climate change planning to strengthen the county's capacity to develop successful climate action plans.

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- PCRA (Participatory Climate Risk Assessment) process that is at the heart of determining the most vulnerable sectors and locations in the county.
- Development and formulation of Narok County climate change policies , providing a legal and strategic foundation for climate action.

3. General Expenses & Climate Change Adaptation Activities

A portion of the financing went to climate change adaptation activities and general expenses . Some of these expenses were on:

- Conducting assessments to understand more about the effects of climate change on various sectors (for example, agriculture, water, and health).
- Planning and coordination of current and future adaptation projects at the local level.
- Prioritization of climate change at the ward level so that the local vulnerabilities and needs are addressed.
- Project screening and selection to ensure that money is directed towards high-potential projects for generating resilience and minimizing climate risks.

10. Environmental and Sustainability Reporting

The Narok County Climate Change Fund (NCCCF) plays a critical role in increasing resilience to climate change effects at the ward level. By funding climate change projects, the fund intervenes in the implementation of the County Climate Change Policy, the County Climate Change Action Plan, and other guiding documents in the County. These projects aim to reduce the vulnerability of communities to climate risks and promote sustainable activities that are in accordance with national and global environmental goals. Environmental and Sustainability Reporting is concerned with,

1. Reporting on the progress of the funded projects, their outcomes, and how these advance the climate resilience in the county from time to time. This includes environmental impact assessments, sustainability milestones, and progress in reducing the carbon footprint of the county.
2. Ensure transparency in the allocation of funds, their use, and the output of the projects. The effectiveness and efficiency of the climate change fund-supported projects should be traceable by stakeholders like local communities, the government, and donors.
3. Engagement of local communities and other stakeholders in the monitoring and decision-making processes to enhance ownership and long-term sustainability of climate change projects.
4. Utilize metrics and indicators to monitor the efficacy of the projects to reduce climate vulnerability, conserve biodiversity, improve water availability, boost agricultural productivity, and provide access to clean energy.
5. Development of reports for adaptation projects (e.g., protection of springs and water catchment areas, construction of dams, boreholes and water pans, drought resilience, disaster preparedness) and mitigation projects (e.g., farm forestry/agroforestry, green/renewable energy shift, carbon sequestration, soil and water conservation).

SUSTAINABILITY, ENVIRONMENTAL AND SOCIAL PERFORMANCE REPORT

Sustainability Strategy and Profile

Global Context and Alignment

The entity acknowledges global political and macroeconomic factors shaping sustainability, including climate change, global inflation, trade dynamics, and governance reforms.

- Operations are guided by international frameworks such as the United Nations Sustainable Development Goals (SDGs), particularly:
 - o SDG 13: Climate Action
 - o SDG 8: Decent Work and Economic Growth
 - o SDG 12: Responsible Consumption and Production**Key Achievements**

- Development and implementation of a Service Delivery Charter, reinforcing efficiency, transparency, and inclusivity.

- Establishment of a structured contract management system, ensuring equitable allocation of opportunities.

- Over one-third of contracts awarded to special groups (Women, Youth, and Persons with Disabilities), and to local suppliers and contractors. **Challenges and Mitigation**

Challenge: Inconsistent service delivery in remote areas.

Mitigation: Deployment of digital platforms for citizen engagement and capacity building for marginalized suppliers. **ii) Environmental Performance Policy Framework**

- Operations are guided by a Climate change and Environmental Policy emphasizing mitigation and adaptation, biodiversity protection, waste management, and carbon reduction. **Implementation and Successes**

- Adoption of the 3Rs (Reduce, Reuse, Recycle) in waste management.
- Paperless operations through automation, reducing paper use by nearly 50%.

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- Installation of segregated waste bins, and introduction of biodegradable packaging.
- Maintenance of fleet vehicles to reduce CO₂ emissions.
- Expansion of solar lighting and heating systems in selected facilities.
- Promotion of climate-smart technologies, including drought-resistant crops and eco-jikos and renewable energy.

Shortcomings and Mitigation

Shortcoming: Some projects delayed due to budgetary constraints.

Mitigation: Partnering with development agencies and prioritizing low-cost, high-impact green projects.

iii) Employee Welfare

- Human Resource Policy
- Recruitment policies promote fairness, inclusivity, and diversity, emphasizing gender balance, youth inclusion, and PWD participation.
- Stakeholder engagements are conducted regularly, with policies reviewed and improved accordingly.
- Capacity Building and Career Development
- Ongoing training and mentorship programs for staff.

- Structured appraisal systems and incentive-based rewards to motivate performance.
 - Health and Safety
 - Full compliance with the Occupational Safety and Health Act (2007).
 - Conducted regular workplace safety audits and staff training.
 - Reported incidents of workplace injuries were minimal and addressed with corrective actions such as safety drills and provision of additional protective equipment.
- iv) Marketplace Practices a) Responsible Competition**
- Adoption of open tendering processes to enhance transparency.
 - Enforcement of anti-corruption and ethical standards, including reporting channels for misconduct.
 - Service automation (self-service portals) and brand protection initiatives.
- b) Supply Chain and Supplier Relations**
- Commitment to fair treatment of suppliers through timely payments and honoring contracts. Competitive procurement practices that prioritize inclusivity of SMEs, local contractors, and special groups.
- c) Citizen Engagement and Marketing**
- Regular public sensitization forums, website updates, and media campaigns.
 - Outreach materials designed to be truthful, inclusive, and culturally sensitive.
 - No use of exaggerated promises or anti-social advertising.
- d) Product Stewardship and Awareness Creation**
- Protection of consumer and citizen rights, including data privacy safeguards.
 - Clear communication of services such as NHIF, NSSF, licensing, power and water connection, and dispute resolution processes.
 - Reinforced whistleblower protection mechanisms and platforms for public participation in decision-making.
- v) Corporate Social Responsibility (CSR) / Community Engagement CSR**

Policy and Focus

- CSR activities are aligned to the entity's core mandate and are designed to enhance community well-being.
- Key Initiatives Undertaken
- Tree planting programs with schools and local groups to support afforestation.
- Investment in community water projects (rehabilitation of boreholes and construction of small dams).
- Support to education through scholarships and bursaries for vulnerable students.
- Organization of free medical camps in partnership with health stakeholders.
- Public participation and civic education forums on climate change, service delivery, and citizens' rights.

Impact

- Strengthened community relations and trust in the entity.
- Improved access to water, health, and education services.
- Enhanced public awareness on sustainability, climate action, and governance.

Narok County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

11. Report of The Steering committee

The steering committee submitted their report together with the audited financial statements for the year ended June 30, 2025 which showed the state of the Fund affairs.

Principal activities

The principal activity of the Fund is to create resilience at the local levels to mitigate the impact of climate change within Narok County.

Results

The results of the Fund for the year ended June 30, 2025 are set out on page 1 to

Steering Committee

The members of the Steering Committee who served during the year are shown on page vi to xv

Auditors

The Auditor General is responsible for the statutory audit of the Fund in accordance with Article 229 of the Constitution of Kenya and the Public Audit Act 2015.

By Order of the Steering Committee

Proctor Kipangat Juma

Chair of the Steering Committee

Date: *28/11/2025*



12. Statement of Management's Responsibilities

Section 167 of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Fund Administrator established by the Constitution, an Act of Parliament or County Legislation, shall prepare financial statements for the Fund in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board.

The Fund Administrator is responsible for the preparation and presentation of the Fund's financial statements, which give a true and fair view of the state of affairs of the Fund for and as at the end of the financial year ended on June 30, 2025

This responsibility includes:

- (i) Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period.
- (ii) Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Fund.
- (iii) Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud.
- (iv) Safeguarding the assets of the Fund.
- (v) Selecting and applying appropriate accounting policies.
- (vi) Making accounting estimates that are reasonable in the circumstances.

The Fund Administrator accepts responsibility for the Fund's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgements and estimates, in conformity with International Public Sector Accounting Standards (IPSAS), and in the manner required by the PFM Act, 2012 and the Narok County Climate Change

Fund Act, 2021. The Administrator of the Fund is of the opinion that the Fund's financial statements give a true and fair view of the state of Fund's transactions during the financial year ended June 30, 2025, and of the Fund's financial position as at that date.

The Administrator further confirm the completeness of the accounting records maintained for the Fund, which have been relied upon in the preparation of the Fund's financial statements as well as the adequacy of the systems of internal financial control.

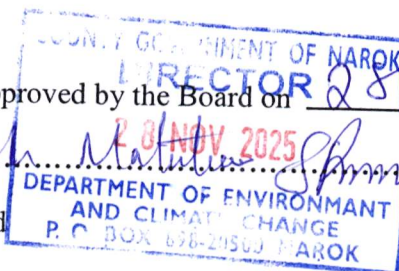
In preparing the financial statements, the Administrator of the County Public Fund has assessed the Fund's ability to continue as a going concern and disclosed, as applicable, matters relating to the use of going concern basis of preparation of the financial statements.

Approval of the financial statements

The Fund's financial statements were approved by the Board on 28/11/2025 2025

and signed on its behalf by: Elizabeth M. Mutitu 28 NOV 2025

Administrator of the County Public Fund



REPUBLIC OF KENYA

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NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NAROK COUNTY CLIMATE CHANGE FUND FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure that the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

An Adverse Opinion is issued when the Auditor-General determines that the financial statements are materially misstated and are not fairly presented in accordance with the applicable financial reporting framework. The Report on the Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Adverse Opinion

I have audited the accompanying financial statements of Narok County Climate Change Fund set out on pages 1 to 40, which comprise of the statement of financial position as at 30 June, 2025 and the statement of financial performance, statement of changes in net assets, statement of cash flows and the statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the

Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of my report, the financial statements do not present fairly, in all material respects, the financial position of Narok County Climate Change Fund as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards (Accrual Basis) and do not comply with the Public Finance Management (Narok County Climate Change) Fund Regulations, 2021 and the Public Finance Management Act, 2012.

Basis for Adverse Opinion

1. Inaccuracies in the Financial Statements

Review of the Fund's financial statements revealed the following inaccuracies:

- a) The statement of financial performance reflects transfer from County Government amount of Kshs.343,762,518. However, the corresponding Note 7 to the financial statements reflects a recomputed amount of Kshs.241,840,186 resulting to an unexplained variance of Kshs.101,922,332.

Further, the statement reflects use of goods and services of Kshs.19,289,910. However, the corresponding Note 12 to the financial statements reflects an amount of Kshs.107,242,231 resulting to an unexplained variance of Kshs.87,952,321.

In addition, the statement reflects surplus for the period amount of Kshs.324,472,608. However, the statement of changes in net assets reflects an amount of Kshs.51,752,738 resulting in an unexplained variance of Kshs.272,719,870.

- b) The statement of financial position reflects property, plant and equipment balance of Kshs.272,719,870. However, the corresponding Note 22 reflects a recomputed balance of Kshs.2,895,587 resulting in an unexplained variance of Kshs.269,824,283.
- c) The statement of changes in net assets reflects a balance of Kshs.324,472,608 in respect of accumulated surplus. The balance includes an amount of Kshs.170,797,538 which relates to funds received during the year and which were erroneously misclassified under accumulated surplus instead of the capital or revolving fund account.
- d) The statement of cash flows reflects net cash flows from operating activities of Kshs.51,752,738. However, the recomputed amount is Kshs.324,472,608 resulting in an unexplained variance of Kshs.272,719,870.

Further, the statement reflects a balance of Kshs.51,752,738 in respect of cash and cash equivalents as at 30 June, 2025. However, the recomputed amount is Kshs.324,472,608 resulting in an unexplained variance of Kshs.272,719,870.

In addition, the statement reflects cash and cash equivalents opening balance of Kshs.110,922,332. However, the previous year's audited financial statements reflect an amount of Kshs.99,026,745 resulting in an unexplained variance of Kshs.11,895,587.

- e) The statement of Comparison of Budget and Actual Amount reflects performance difference amount of Kshs.4,851,447 in respect of fund administration expenses. However, the recomputed amount is Kshs.15,703,436 resulting in an unexplained variance of Kshs.10,851,989. Further, the statement has indicated an unbalanced budget for the Fund.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Lack of a Trial Balance

Management of the Narok County Climate Change Fund did not provide the trial balance for the Fund in support of the financial statements.

In the circumstances, the basis for the preparation and the accuracy of the financial statements could not be confirmed.

3. Unsupported Use of Goods and Services Expenditure

The statement of financial performance reflects an amount of Kshs.19,289,910 in respect of use of goods and services. However, Note 12 to the financial statements reflects an amount of Kshs.107,242,231 which includes an amount of Kshs.87,952,321 in relation to rehabilitation of degraded farmlands through planting of fruit tree seedlings. However, Management did not provide a detailed schedule indicating the various projects being undertaken by the Fund through the Ward planning committees.

Further, the reports on the projects under the Ward planning committees' supervision, the monthly financial reports with details of physical progress and financial expenditure on the projects, the implementation schedule and the current status of the projects were not provided for audit verification. In addition, the summary of this information as detailed in Form C as required by the regulations, was not provided for audit verification.

In the circumstances, the accuracy, completeness and propriety of the use of goods and services amount of Kshs.19,289,910 could not be confirmed.

4. Unsupported Cash and Cash Equivalents Balance

The statement of financial position reflects cash and cash equivalents balance of Kshs.51,752,737 as disclosed in Note 17 to the financial statements. However, the bank reconciliation statement for June, 2025 indicated that the bank balance as at 30 June, 2025 was Kshs.1,339,093 resulting in an unexplained variance of Kshs.50,413,645.

Further, the certificate of bank balance and bank statement as at 30 June, 2025 reflected closing balances of Kshs.51,752,738 and Kshs.50,413,645 respectively resulting to an unexplained and unreconciled variance of Kshs.1,339,093.

Further, no evidence was provided to confirm that the cashbook was counter-signed by the Board of Survey on 30 June, 2025 and it was not possible to confirm whether the balance reported in the cashbook was independently verified. Further, the Fund's bank reconciliation statements were not counter signed by the designated reviewer.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.1,339,093 could not be confirmed.

5. Unsupported Property, Plant and Equipment Balance

The statement of financial position reflects property, plant and equipment balance of Kshs.272,719,870 in relation to other infrastructure, furniture and fittings and computers and office equipment. Review of records revealed that the assets were acquired in the financial year under review. During the financial year 2023/2024, furniture and fittings and ICT equipment valued at Kshs.2,895,587 were acquired by the Fund. However, the corresponding Note 22 to the financial statements has not properly disclosed the values of the assets acquired in the two financial years and the cumulative net book value of the Fund's assets. Further, the applicable depreciation policy for the assets was not disclosed in the notes to the financial statements in the year under review. Management did not disclose any depreciation amount in the financial statements as required by the standards and the recommended reporting template.

In addition, Management did not maintain a fixed assets register in support of the balance in the financial statements. It was also observed that the Fund's assets were not tagged and therefore it was not possible to confirm whether the assets belong to the Fund.

In the circumstances, the accuracy, completeness, existence and ownership of the property, plant and equipment balance of Kshs.272,719,870 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the Narok County Climate Change Fund Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Adverse Opinion, I have determined that there are no other key audit matters to communicate in my report.

My opinion is not modified in respect of these matters.

Other Matter

Unresolved Prior Year Audit Matters

In the audit report of the previous year, several issues were raised under the Report on the Financial Statements, Report on Lawfulness and Effectiveness in Use of Public Resources and Report on Effectiveness of Internal Controls, Risk Management and Governance. Review of the status during audit of the Hospital for the financial year 2024/2025 revealed that the following nine (9) issues remained unresolved:

No.	Financial Year	Audit Issue
1	2023/2024	Inaccuracies in the financial statements
2	2023/2024	Unsupported Property, Plant and Equipment Balance
3	2023/2024	Budgetary control and Performance
4	2023/2024	Late submission of financial statements
5	2023/2024	Failure to Enact Planned Climate Bill
6	2023/2024	Effectiveness of Programs for Implementation of Priority Climate Change Actions
7	2023/2024	Lack of Fraud Management Policy and Risk Management Strategies
8	2023/2024	Lack of Back Up Retention Strategy, Information Technology Strategic Plan and Strategy Committee
9	2023/2024	Failure to Provide Internal Audit and Audit Committee

Other Information

Management is responsible for the Other Information set out on page iii to xxx which comprise of Key Entity Information and Management, The Steering Committee, Management Team, Chairperson's Statement, Report of the Fund Administrator, Statement of Performance Against the County Fund's Predetermined Objectives, Corporate Governance Statement, Management Discussion and Analysis, Environmental and Sustainability Reporting, Report of the Steering Committee and Statement of Management's Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the Fund's financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information, I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources sections of my report, I confirm that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Presentation and Disclosure of the Financial Statements

Review of the annual report and the financial statements revealed errors and inaccuracies as follows:

- i) The Chairperson's report has not indicated the amount disbursed as unconditional FLLoCA grant from the World Bank through the National Government.
- ii) The report of the Fund Administrator has not indicated the key risk management strategies and list of the implementation challenges of strategic objectives for the Fund and the Fund future outlook.

In the circumstances, Management did not comply with the recommended reporting template as prescribed by the Public Sector Accounting Standards Board.

2. Failure to Prepare and Submit Quarterly Financial Reports

During the year under review Management did not prepare and submit quarterly financial reports as provided for in law. This was contrary to Section 166 (1) and (3) of the Public Finance Management Act, 2012 which states that an Accounting Officer for a County Government entity shall prepare a report for each quarter of the financial year in respect of the entity; and not later than fifteen days after the end of each quarter, the Accounting Officer shall submit the quarterly report to the County Treasury.

In the circumstances, Management was in breach of the law.

3. Non-Compliance with the Law on Affirmative Action and Gender Rule

Review of the Fund's key management report and records revealed that there is very low female representation in key management and decision-making positions within the Fund. Out of eleven (11) key management positions, only one (1) position is held by a woman. Furthermore, there were no formal gender inclusion policies, mentorship programs, or recruitment strategies aimed at improving gender balance in leadership roles. This was contrary to Article 27 (3) of the constitution of Kenya 2010 which states that women and men have the right to equal treatment, including the right to equal opportunities in political, economic, cultural and social spheres.

In the circumstances, Management was in breach of the law.

4. Failure to Reserve 30% of Procurement Contracts to Special Groups

The Narok County Climate Change Fund had not allocated any procurement opportunities to special interest's groups as directed by Executive Order No. 2 of 2018 since evidence of award of contracts to special groups was not provided for audit verification.

In the circumstances, Management was in breach of the regulations and Government policy.

5. Non-Validation of Project Proposals

Review of records provided for audit revealed there were no recommendations of the County Steering Committee on project validation process after receiving the project proposals from the Ward Committees. This was contrary to Regulation 23 (1) of the Public Finance Management (Narok County Climate Change Fund) Regulations, 2021 which provides the criteria for approval of projects and the validation process after receiving the project proposals from the Ward Committees.

In the circumstances, Management was in breach of the regulations.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, because of the significance of the matters discussed in the Basis for Adverse Opinion and the Basis for Conclusion on Effectiveness of Internal Controls, Risk Management and Governance sections of my report, I confirm that internal controls, risk management and governance were not effective.

Basis for Conclusion

Lack of Fraud Management Policies and Risk Management Strategies

Review of records revealed that the Fund does not have a fraud management policy to assist in detecting and preventing fraud. Further, the Fund Management did not have a risk management policy or strategy and therefore, had no approved processes and guidelines on how to mitigate operational, legal and financial risks. This was contrary to Regulation 158 of the Public Finance Management (County Government Regulations)

2015. Management has not instituted its own policies and procedures to guide key financial processes and controls for the management of personnel and related expenditure. In addition, the Fund Management did not perform formal risk assessments during the financial year under audit review.

In the circumstances, the effectiveness of internal controls on risk management could not be confirmed.

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require

that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7 (1) (a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, CBS
AUDITOR-GENERAL

Nairobi

08 December, 2025

Narok County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30, 2025

14. Statement of Financial Performance for the Year Ended 30th June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Revenue From Non-Exchange Transactions			
Public Contributions and Donations	6	-	-
Transfers From the County Government	7	343,762,518.00	124,486,745.00
Fines, Penalties and Other Levies	8	-	-
Total revenue from Non-Exchange Transactions		343,762,518.00	124,486,745.00
Revenue From Exchange Transactions			
Interest Income	9	-	-
Other Income	10	-	-
Total Revenue		343,762,518.00	124,486,745.00
Expenses			
Employee Costs	11	-	-
Use of goods and services	12	19,289,910.00	22,564,413.00
Depreciation and Amortization Expense	13	-	-
Finance Costs	14	-	-
Total Expenses		19,289,910.00	22,564,413.00
Gain/Loss on Disposal of Assets	15	-	-
Gain /Loss on fair value of investments	16	-	-
Surplus/(Deficit) for the Period		324,472,608.00	101,922,332.00

Narok County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

15. Statement of Financial Position As at 30 June 2025

Description		FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Assets			
Current Assets			
Cash and Cash Equivalents	17	51,752,737.80	99,026,745.00
Current Portion of Long- Term Transactions Receivables from Exchange	18		-
Prepayments	19	-	-
Inventories	20	-	-
Investments in financial assets	21	-	-
Total current assets		51,752,737.80	99,026,745.00
Non-Current Assets			
Property, Plant and Equipment	22	272,719,870.20	2,895,587.00
Intangible Assets	23	-	-
Long Term Receivables from Exchange Transactions	18	-	-
Investment Property	24	-	-
Total non- current assets			

Narok County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Total Assets (A)		324,472,608.00	101,922,332.00
Liabilities			
Current Liabilities			-
Trade and Other Payables from Exchange Transactions	25	-	-
Current Provisions	26	-	-
Current Portion of Borrowings	27	-	-
Employee Benefit Obligations	28	-	-
Social benefit liabilities	29	-	-
Total current liabilities		-	-
Non-Current Liabilities			
Non-Current Provisions	26	-	-
Long Term Portion of Borrowings	27	-	-
Non-Current Employee Benefit Obligation	28	-	-
Social benefit liabilities	29	-	-
Total Liabilities (B)		324,472,608.00	101,922,332.00
Net Assets (A-B)			
Represented By:		-	-
Revolving Fund		-	-
Reserves		324,472,608.00	101,922,332.00
Accumulated Surplus		324,472,608.00	101,922,332.00
Net Assets			

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements. The entity financial statements were approved on 2025 and signed by:

Name: *Elisha Mutulus*
Chomoko Shilima
Administrator of the Fund

Name: *Dennis Parsabe*
Fund Accountant
ICPAK Number *23466*

16. Statement of Changes in Net Assets for the year ended 30th June 2025

Description	Revolving Fund	Revaluation Reserve	Accumulated surplus	Total
		Kshs	Kshs	Kshs
Balance As At 1 July 2023	-	-		
Surplus/(Deficit) For the Period	-	-		
Funds Received During the Year	-	-		
Transfers	-	-	-	-
Revaluation Gain	-	-	-	-
Balance As At 30 June 2024	-	-	-	-
Balance As At 1 July 2024	-	-	101,922,332.00	101,922,332.00
Surplus/(Deficit) For the Period	-	-	101,922,332.00	101,922,332.00
Funds Received During the Year	-	-	51,752,737.80	51,752,737.80
Transfers	-	-	170,797,538.20	170,797,538.20
Revaluation Gain	-	-		
Balance As At 30 June 2025	-	-	324,472,608.00	324,472,608.00

Narok County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

17. Statement of Cash Flows for The Year Ended 30 June 2025

Description	Note	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
Cash flows from operating activities			
Receipts			
Public contributions and donations		343,762,518.00	124,486,745.00
Transfers from the county government		-	-
Receipts from other operating activities		343,762,518.00	124,486,745.00
Total receipts			
Payments			
Fund administration expenses		19,189,910.00	8,035,030.50
General expenses		100,000.00	-
Finance cost		272,719,870.20	-
Other payments	30	51,752,737.80	101,922,332.00
Net cash flows from operating activities			
Cash flows from investing activities			
Purchase of property, plant, equipment and Intangible			
Net cash flows used in investing activities			
Cash flows from financing activities			
Net cash flows used in financing activities			
Net increase/(decrease) in cash & cash Equivalents			
Cash and cash equivalents at 1 July	17	51,752,737.80	101,922,332.00
Cash and cash equivalents at 30 June 2025	17	51,752,737.80	101,922,332.00

18. Statement Of Comparison Of Budget And Actual Amounts For The Period 2025

Description	Original budget	Adjustments	Final budget	Actual on comparable basis	Performance difference	% Utilization
	Kshs	Kshs	Kshs	Kshs	Kshs	
	a	b	C=(a+b)	d	e=(c-d)	f=d/c*100
Budget carryovers from 2023-2024	-	-	-	101,922,332.00	-	-
Receipts	-	-	-	241,840,186.00	-	-
Public Contributions and Donations	-	-	-	-	-	-
Transfers From County Govt.	357,000,000.00	343,762,518.00	700,762,518.00	343,762,518.00	357,000,000.00	49%
Interest Income	-	-	-	-	-	-
Other Income	-	-	-	-	-	-
Total Income	357,000,000.00	343,762,518.00	700,762,518.00	343,762,518.00	357,000,000.00	49%
Expenses	-	-	-	-	-	-
Fund administrative expenses	17,850,000.00	17,043,346.55	34,893,346.55	19,189,910.00	4,851,446.55	55%
General Expenses	-	-	-	100,000.00	-	-
Finance Cost	-	-	-	-	-	-
Total Expenditure	-	-	-	-	-	-
Capital expenditure	272,719,870.20	-	272,719,870.20	272,719,870.20	-	100%
Surplus For the Period	66,430,129.80	326,719,171.45	393,149,301.25	51,752,737.80	352,148,553.45	13%

Narok County Climate Change Fund
Annual Report and Financial Statements for the year ended June 30, 2025

Budget notes

1. The capital projects Procurement process has been done.

Budget Reconciliation

	Description of Particulars	Amount in Kshs
	Actual Surplus Amounts as per the statement of Budget	51,752,737.80
1	Reason for differences	-
2	Reason for differences	-
3	Reason for differences	-
4	Reason for differences	-
	Closing Cash and Cash Equivalent as per the statement of Cash flows	51,752,737.80

.....
 Name: *Elizabeth Muthira*
 Administrator of the Fund
 COUNTY GOVERNMENT OF NAROK
 DIRECTOR
 DEPARTMENT OF ENVIRONMENT
 AND CLIMATE CHANGE
 P. O. BOX 898-20500 NAROK
 28 NOV 2025 11:23

.....
 Name: *Dennis Parsalew*
 Fund Accountant
 ICPAK Member Number *23406*

19. Notes to the Financial Statements

Significant Accounting Policies

1. General Information

Narok County Climate Change Fund was established by and derives its authority and accountability from Narok County Climate Change Fund Act, 2021 Via Narok County Gazette Supplement march of 2021. The Fund is wholly owned by the County Government of Narok and is domiciled in Kenya.

2. Statement of compliance and basis of preparation

The Fund's financial statements have been prepared in accordance with and comply with International Public Sector Accounting Standards (IPSAS). The financial statements are presented in Kenya shillings, which is the functional and reporting currency of the Fund. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The cash flow statement is prepared using the direct method. The financial statements are prepared on accrual basis.

3. Adoption of new and revised standard

(i) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025

There were no new and amended standards issued in the financial year.

(ii) New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2025.

Standard	Effective date and impact:
IPSAS 43: Leases	Applicable 1st January 2025 The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognize, measure and present information on right of use assets and lease liabilities.
IPSAS 44: Non- Current Assets Held for Sale and	Applicable 1st January 2025 The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and:
Discontinued Operations	Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance.

<p>IPSAS 45: Property Plant and Equipment</p>	<p><i>Applicable 1st January 2025</i> The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p>
<p>IPSAS 46: Measurement</p>	<p><i>Applicable 1st January 2025</i> The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ol style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. The standard also introduces a public sector specific measurement bases called the current operational value.
<p>IPSAS 47: Revenue</p>	<p><i>Applicable 1st January 2026</i> This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p>
<p>IPSAS 48: Transfer Expenses</p>	<p><i>Applicable 1st January 2026</i> The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p>
<p>IPSAS 49: Retirement Benefit Plans</p>	<p><i>Applicable 1st January 2026</i> The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p>

<p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p>	<p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ul style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certain future cash flows from any exploration and evaluation assets recognized.
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(i) Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial.

4. Summary of Significant Accounting Policies

a) Revenue recognition

i. Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the entity and can be measured reliably.

ii. Revenue from exchange transactions

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Dividends

Dividends or similar distributions must be recognized when the shareholder's or the Entity's right to receive payments is established.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Summary of Significant Accounting Policies (Continued) Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/ equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL).

Summary of Significant Accounting Policies (Continued) Financial liabilities Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

d) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- Raw materials: purchase cost using the weighted average cost method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the Entity.

e) Provisions

Provisions are recognized when the Entity has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Entity expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement. **f) Social Benefits**

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

Summary of Significant Accounting Policies (Continued) g) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

Contingent assets

The Entity does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

h) Nature and purpose of reserves

The Entity creates and maintains reserves in terms of specific requirements.

i) Changes in accounting policies and estimates

The Entity recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

j) Employee benefits – Retirement benefit plans

The Entity provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable.

Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

**Summary of Significant
Accounting Policies (Continued)**

k) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

l) Borrowing costs

Borrowing costs are capitalized against qualifying assets as part of property, plant and equipment. Such borrowing costs are capitalized over the period during which the asset is being acquired or constructed and borrowings have been incurred. Capitalization ceases when construction of the asset is complete. Further borrowing costs are charged to the statement of financial performance.

m) Related parties

The Entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. Members of key management are regarded as related parties and comprise the directors, the CEO and senior managers.

n) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at the Central Bank of Kenya and at various commercial banks at the end of the financial year. For the purposes of these financial statements, cash and cash equivalents also include short term cash imprests and advances to authorized public officers and/or institutions which were not surrendered or accounted for at the end of the financial year.

o) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

Summary of Significant Accounting Policies (Continued)

5. Significant judgments and sources of estimation uncertainty

The preparation of the Entity's financial statements in conformity with IPSAS requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

State all judgements, estimates and assumptions made e.g.

a) Estimates and assumptions –

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140.

b) Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the assessment of experts employed by the Entity
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes
- The nature of the processes in which the asset is deployed
- Availability of funding to replace the asset > Changes in the market in relation to the asset c)

Provisions

Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

Narok County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30, 2025

Notes To the Financial Statements Continued

6. Public contributions and donations

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Donation From Development Partners	-	-
Contributions From the Public	-	-
Total	-	-

7. Transfers from County Government

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Balance B/f	101,922,332.00	-
Transfers From County Govt. –Operations	131,813,441.00	14,460,000.00
Payments By County On Behalf Of The Entity	11,000,000.00	-
Unconditional Development grants	99,026,745.00	110,026,745.00
Total	343,762,518.00	124,486,745.00

8. Fines, penalties and other levies

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Late Payment Penalties	-	-
Fines	-	-
Total	-	-

Narok County Climate Change Fund

Annual Report and Financial Statements for the year ended June 30, 2025

9. Interest income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest Income from Mortgage Loans	-	-
Interest Income From Car Loans	-	-
Interest Income From Investments in financial assets	-	-
Interest Income On Bank Deposits	-	-
Total Interest Income	-	-

10. Other income

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Insurance Recoveries	-	-
Income from Sale of Tender Documents	-	-
Bad debts recovered	-	-
Miscellaneous Income	-	-
Total Other Income		

11. Employee Costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Salaries And Wages	-	-
Staff Gratuity	-	-
Staff Training Expenses	-	-
Social Security Contribution	-	-
Other (<i>Specify</i>)	-	-
Total	-	-

12. Use of Goods and Services

Narok County Climate Change Fund

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
	Kshs.	Kshs.
General Office Expenses		
Loan Processing Costs		
Professional Services Costs	-	-
Administration Fees	-	-
Committee Allowances	-	-
Bank Charges	19,189,910.00	8,035,030.50
Electricity And Water Expenses	-	4,082.50
Fuel And Oil Costs	48,000.00	-
Insurance Costs	-	-
Postage And Courier	-	-
Printing And Stationery	5,000.00	-
Rental Costs	47,000.00	65,300.00
Security Costs	-	-
Telephone And Communication Expenses	-	-
Bank Charges	-	-
Audit Fees	-	-
Provision For Doubtful Debts	-	-
Other (Specify) Rehabilitation of degraded Farmlands through planting of fruit trees seedlings	87,952,321.12	14,460,000.00
Total	107,242,231.12	22,564,413.00

13. Depreciation and Amortization Expenses

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

14. Finance costs

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Interest On Bank Overdrafts	-	-
Interest On Loans From Banks	-	-
Total	-	-

15. Gain/(loss) on disposal of assets

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Property, Plant and Equipment	-	-
Intangible Assets	-	-
Total	-	-

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16 .Gain/ (loss) on Fair Value Investments

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Investments at Fair Value- Equity investments	-	-
Fair value – Investment property	-	-
Fair value- other financial assets (specify)	-	-
Total Gain	-	-

17. Cash and cash equivalents

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Fixed Deposits Account	-	-
On – Call Deposits	-	-
Current Account	51,752,737.80	101,922,332.00
Others (Specify)	-	-
Total Cash and Cash Equivalents	51,752,737.80	101,922,332.00

Detailed analysis of the cash and cash equivalents are as follows:

Financial Institution	Account number	FY 2024-2025	FY 2023-2024
		Kshs	Kshs
a) Fixed Deposits Account			
Kenya Commercial Bank		-	-
Equity Bank, Etc.		-	-
Sub- Total		-	-
b) On - Call Deposits			
Kenya Commercial Bank		-	-
Equity Bank - Etc.		-	-
Sub- Total		-	-
c) Current Account			

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Central Bank of Kenya	1000542567	51,752,737.80	101,922,332.00
Special Purpose Account			
Sub- Total		51,752,737.80	101,922,332.00
d) Others(Specify)		-	-
Cash In Transit		-	-
Cash In Hand		-	-
Sub- Total		-	-
Grand Total		51,752,737.80	101,922,332.00

18. Receivables from exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Current Receivables		
Interest Receivable	-	-
Current Loan Repayments Due	-	-
Other Exchange Debtors	-	-
Less: Impairment Allowance	-	-
Total Current Receivables		
Non-Current Receivables		
Long Term Loan Repayments Due	-	-
Total Non- Current Receivables	-	-
Total Receivables From Exchange Transactions	-	-

Additional disclosure on interest receivable

	FY 2024-2025	FY 2023-2024

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Description	Kshs	Kshs
Interest Receivable		
Interest receivable from current portion of long-term loans of previous years	-	-
Accrued interest receivable from of long-term loans of previous years	-	-
Interest receivable from current portion of long-term loans issued in the current year	-	-
Current loan repayments due		
Current portion of long-term loans from previous years	-	-
Accrued principal from long-terms loans from previous periods	-	-
Current portion of long-term loans issued in the current year	-	-

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19. Prepayments

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Prepaid Rent	-	-
Prepaid Insurance	-	-
Prepaid Electricity Costs	-	-
Other Prepayments (<i>Specify</i>)	-	-
Total	-	-

20. Inventories

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Consumable Stores	-	-
Spare Parts And Meters	-	-
Catering	-	-
Other Inventories (<i>Specify</i>)	-	-
Total Inventories	-	-

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Detailed disclosure on inventories

	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Opening balance	-	-
Additional Inventory in the year	-	-
Inventory expensed in the year	-	-
Write-downs in the year	-	-
Others specify	-	-
Closing balance	-	-

21. Investments in financial assets

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
a. Investment in Treasury bills and bonds		
Financial institution		
CBK	-	-
CBK	-	-
Sub- total	-	-
b. Investment with Financial Institutions/ Banks		
Bank x	-	-
Bank y	-	-
Sub- total	-	-
c. Equity investments (specify)		
Equity/ shares in Entity xxx	-	-
Sub- total	-	-
Grand total	-	-

Movement of Equity Investments

Impairment allowance/ provision	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
At the beginning of the year	-	-
Purchase of investments in the year	-	-
Sale of investments during the year	-	-
Gain/(loss) in fair value of investments through surplus or deficit	-	-
At the end of the year	-	-

e) Shareholding in other entities

Name of Entity where investment is held	No of shares			Nominal value of shares	Fair value of shares	Fair value of shares
	Direct shareholding	Indirect shareholding	Effective shareholding	Kshs	Current year	Prior year
	%	%	%		Kshs	Kshs
Entity A	-	-	-	-	-	-
Entity B	-	-	-	-	-	-
Entity C	-	-	-	-	-	-
	-	-	-	-	-	-

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22. Property, plant, and equipment

	Land	Buildings	Motor vehicles	Other infrastructures	Furniture and fittings	Computers and office equipment	Total
Rate		X%	X%	X%	X%	X%	
	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs	Kshs
At 1st July 2023	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Transfers/Adjustments	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-
At 30th June 2024	-	-	-	-	-	-	-
At 1st July 2024	-	-	-	-	916,000	1,979,587	2,895,587
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	916,000	1,979,587	2,895,587
Transfer/Adjustments	-	-	-	-	-	-	-
Revaluation Adjustments	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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At 30th June 2025	-	-	268,776,273.20	785,000	263,010	269,824,283.20
Depreciation And Impairment	-	-	-	-	-	-
At 1st July 2024	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Impairment	-	-	-	916,000	1,979,587	2,895,587
At 30th June 2024	-	-	-	-	-	-
At 1st July 2024	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Impairment	-	-	-	-	-	-
Transfer/Adjustment	-	-	-	-	-	-
At 30th June 2025	-	-	268,776,273.20	785,000	263,010	269,824,283.20
Net Book Values	-	-	-	-	-	-
At 30th June 2024	-	-	-	916,000	1,979,587	2,895,587
At 30th June 2025	-	-	268,776,273.20	1,701,000	2,242,597	272,719,870.20

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23. Intangible assets

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Cost		
At Beginning of The Year	-	-
Additions	-	-
At End of The Year	-	-
Amortization And Impairment		
At Beginning of The Year	-	-
Amortization	-	-
At End of The Year	-	-
Impairment Loss	-	-
At End of The Year	-	-
NBV	-	-

24. Investment Property

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
At beginning of the year	-	-
Additions	-	-
Disposal during the year	-	-
Depreciation	-	-
Impairment	-	-
Gain/(loss) in fair value (if fair value is elected)	-	-
At end of the year	-	-

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25. Trade and other payables from exchange transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Trade Payables	-	-
Refundable Deposits	-	-
Accrued Expenses	-	-
Other Payables	-	-
Total Trade and Other Payables	-	-

Ageing analysis (Trade and other payables)	Current FY	% of the Total	Comparative FY	% of the Total
Under one year	-	%	-	%
1-2 years	-	%	-	%
2-3 years	-	%	-	%
Over 3 years	-	%	-	%
Total (tie to above total)	-		-	

26. Provisions

Description	Leave provision	Gratuity Provision	Other provision	Total
	Kshs	Kshs	Kshs	Kshs
Balance b/f	-	-	-	-
Additional provisions	-	-	-	-
Provision utilised	-	-	-	-
Change due to discount and time value for money	-	-	-	-
Total provisions year end	-	-	-	-
Current Provisions	-	-	-	-
Non-Current Provisions	-	-	-	-

27. Borrowings

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Balance At Beginning of The Period	-	-
External Borrowings During the Year	-	-
Domestic Borrowings During the Year	-	-
Repayments of External Borrowings During the Period	-	-
Repayments of Domestic Borrowings During the Period	-	-
Balance At End of The Period	-	-

The table below shows the classification of borrowings into external and domestic borrowings:

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
External Borrowings		
Dollar Denominated Loan From 'X Organization'	-	-
Sterling Pound Denominated Loan From 'Y Organization'	-	-
Euro Denominated Loan from Z Organization'	-	-
Domestic Borrowings		
Kenya Shilling Loan From KCB	-	-
Kenya Shilling Loan from Barclays Bank	-	-
Kenya Shilling Loan from Consolidated Bank	-	-
Borrowings From Other Government Institutions	-	-
Total Balance at End of The Year	-	-

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The table below shows the classification of borrowings long-term and current borrowings:

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Short Term Borrowings (Current Portion)	-	-
Long Term Borrowings	-	-
Total	-	-

28. Employee benefit obligations

Description	Defined benefit plan	Post employment medical benefits	Other Provisions	FY 2024/2025	FY 2023/2024
	Kshs	Kshs	Kshs	Kshs	Kshs
Current Benefit Obligation	-	-	-	-	-
Non-Current Benefit Obligation	-	-	-	-	-
Total	-	-	-	-	-

29. Social Benefit Liabilities

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Health social benefit scheme	-	-
Unemployment social benefit scheme	-	-
Orphaned and vulnerable benefit scheme	-	-
Elderly social benefit scheme	-	-
Bursary social benefits	-	-
Total	-	-
Current social benefits	-	-
Non- current social benefits	-	-
Total (tie to totals above)	-	-

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30. Cash generated from operations.

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Surplus/ (Deficit) For the Year Before Tax	51,752,737.80	101,922,332.00
Adjusted For:		
Depreciation	-	-
Amortization	-	-
Gains/ Losses On Disposal Of Assets	-	-
Interest Income	-	-
Finance Cost	-	-
Working Capital Adjustments		
Increase In Inventory	-	-
Increase In Receivables	-	-
Increase In Payables	-	-
Net Cash Flow From Operating Activities	51,752,737.80	101,922,332.00

Related party balances a) Nature of related party relationships

Entities and other parties related to the Fund include those parties who have ability to exercise control or exercise significant influence over its operating and financial decisions. Related parties include management personnel, their associates and close family members. The fund/scheme is related to the following entities: a) The County Government; b) The Parent County Government Ministry; c) Key management; d) Board of Trustees; etc.

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b) Related party transactions

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Transfers From Related Parties'	-	-
Transfers To Related Parties	-	-

c) Key management remuneration

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Board Of Trustees	-	-
Key Management Compensation	-	-
Total	-	-

c) Due from related parties

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Due From Parent Ministry	-	-
Due From County Government	-	-
Total	-	-

d) Due to related parties

Description	FY 2024-2025	FY 2023-2024	FY 2023-2024
	Kshs	Kshs	
	Kshs		Kshs
Due To Parent Ministry	-	-	-
Due To County Government	-	-	-
Due To Key Management Personnel	-	-	-
Total	-	-	-

31. Contingent assets and contingent liabilities

Contingent Liabilities	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Court Case Against the Fund	-	-
Bank Guarantees	-	-
Total	-	-

32. Financial risk management

The Fund's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Fund's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Fund does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history.

The Fund's financial risk management objectives and policies are detailed below:

a) Credit risk

The Fund has no exposure to credit risk.

Description	Total amount Kshs	Fully performing Kshs	Past due Kshs	Impaired Kshs
At 30 June 2022				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-
At 30 June 2021				
Receivables From Exchange Transactions	-	-	-	-
Receivables From Non-Exchange Transactions	-	-	-	-
Bank Balances	-	-	-	-
Total	-	-	-	-

b) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Fund Administrator, who has built an appropriate liquidity risk management framework for the management of the entity's short, medium and long-term funding and liquidity management requirements. The entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Fund under non-derivative

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financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

Description	Less than 1 month	Between 1-3 months	Over 5 months	Total
	Kshs	Kshs	Kshs	Kshs
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-
At 30 June 2025				
Trade Payables	-	-	-	-
Current Portion Of Borrowings	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligation	-	-	-	-
Total	-	-	-	-

c) Market risk

The board has put in place an internal audit function to assist it in assessing the risk faced by the entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls.

Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee.

The Fund's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies.

There has been no change to the entity's exposure to market risks or the manner in which it manages and measures the risk.

i. Foreign currency risk

The entity has no transactional currency exposures.

Description		Other currencies	Total
	Kshs	Kshs	Kshs
At 30 June (Current FY)			
Financial Assets	-	-	-
Investments	-	-	-
Cash	-	-	-
Debtors/ Receivables	-	-	-
Liabilities			
Trade And Other Payables	-	-	-
Borrowings	-	-	-
Net Foreign Currency Asset/(Liability)	-	-	-

Foreign currency sensitivity analysis

The following table demonstrates the effect on the Fund's statement of financial performance on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

Description	Change in currency rate	Effect on surplus/ deficit	Effect on equity
	Kshs	Kshs	Kshs
(Current FY)			
Euro	10%	-	-
USD	10%	-	-
(Comparative FY)			
Euro	10%	-	-
USD	10%	-	-

ii. Interest rate risk

Interest rate risk is the risk that the entity's financial condition may be adversely affected as a result of changes in interest rate levels. The entity's interest rate risk arises from bank deposits. This exposes the Fund to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Fund's deposits.

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Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favorable interest rates.

Sensitivity analysis

The Fund analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year. Using the end of the year figures, the sensitivity analysis indicates the impact on the statement of comprehensive income if current floating interest rates increase/decrease by one percentage point as a decrease/increase of Kshs (2025: Kshs). A rate increase/decrease of 5% would result in a decrease/increase in profit before tax of Kshs (2024 – Kshs).

d) Capital risk management.

The objective of the Fund's capital risk management is to safeguard the Fund's ability to continue as a going concern. The entity capital structure comprises of the following funds:

Description	FY 2024-2025	FY 2023-2024
	Kshs	Kshs
Revaluation reserve	-	-
Revolving fund	-	-
Accumulated surplus	-	-
Total funds	-	-
Total borrowings	-	-
Less: cash and bank balances	-	-
Net debt/(excess cash and cash equivalents)	-	-
Gearing	-	-

34. Events after the reporting period

There were no material adjusting and non- adjusting events after the reporting period.

35. Ultimate and Holding Entity

The entity is a County Public Fund established by Narok County Climate Change Fund Act, 2021 under the Ministry of Environment, Water, Energy, Natural Resources and Climate Change. Its ultimate parent is the County Government of NAROK

36. Currency

The financial statements are presented in Kenya Shillings (Kshs)

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20. Annexes

Annex I: Progress on Follow Up Of Prior Year Auditor's Recommendations

The following is the summary of issues raised by the external auditor, and management comments that were provided to the auditor.

Reference No. on the external audit Report	Issue / Observations from Auditor	Management comments	Status: (Resolved / Not Resolved)	Timeframe: (Put a date when you expect the issue to be resolved)
Late submission of financial statements	Submitted on 15 th November 2024	Management will avoid similar delays in submissions	yes	30 th September 2025
Failure to Enact Planned Climate Bill	The bill had not been enacted to law	Provided draft of the Disaster Risk management Bill.	Yet to be resolved	FY 2025/2026
Effectiveness of programs for Implementation of priority climate change Actions	Efficiency and effectiveness of controls in implementing the priority climate change actions could not be confirmed	improving the effectiveness and efficiency of our climate change actions	Yet to be resolved	FY 2025/2026

Guidance Notes:

- (i) Use the same reference numbers as contained in the external audit report.
- (ii) Obtain the "Issue/Observation" and "management comments", required above, from final external audit report that is signed by Management.
- (iii) Before approving the report, discuss the timeframe with the appointed Focal Point persons within your Fund responsible for implementation of each issue.
- (iv) Indicate the status of "Resolved" or "Not Resolved" by the date of submitting this report to National Treasury.

Fund Administrator

Name.....

Elijah Mutitu



Signature.....

[Signature]

Date.....

28/11/25

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Annex II: Inter-Fund Confirmation

Letter P.O Box 898-20500 Narok.

Narok County Climate Change Fund wishes to confirm the amounts disbursed to you as at 30th June 2025 as indicated in the table below. Please compare the amounts disbursed to you with the amounts you received and populate the column E in the table below Please sign and stamp this request in the space provided and return it to us

Confirmation of amounts received by Narok County Climate Change Fund as at 30 th June 2025							
Reference Number	Date Disbursed	Amounts Disbursed by [CC/SAGA/Fund] (Kshs) as at 30 th June 2025				Amount Received by [beneficiary Fund] (KShs) as at 30 th June 2025 (E)	Differences (KShs) (F)=(D-E)
		Recurrent (A)	Development (B)	Inter-Ministerial (C)	Total (D)=(A+B+C)		
1	B/f				101,922,332	101,922,332	0
2	2/7/2024	-	99,026,745		99,026,745	99,026,745	0
3	22/8/2024	11,000,000	-		11,000,000	11,000,000	0
4	11/2/2025	-	131,813,441		131,813,441	131,813,441	0
Total		11,000,000	230,840,186		343,762,518.00	343,762,518.00	0

In confirm that the amounts shown above are correct as of the date indicated.
Head of Accountants department of beneficiary Fund:
 Name *Dennis parsachi* Sign *[Signature]* Date *28/11/2025*

